

Sec. 85. Allocation of Undistributed Investment Income.

- (1) The Retirement System shall at least annually allocate all or a portion of undistributed investment income to:
 - (a) The section 82 Reserve for Employer Contributions and Benefit Payments;
 - (b) The section 80 Reserve for Employee Contributions to credit member interest; and
 - (c) On the aggregate balance in the section 83 Reserve for Excess Casualty Experience.

- (2) The amounts allocated shall be charged at least annually to the Reserve for Expenses and Undistributed Investment Income. The allocation rates shall be determined by the Retirement Board. Allocation rates may vary by reserve account but shall be uniformly applied to each subaccount within a reserve account. Allocations to the Reserve for Employer Contributions and benefit payments under subsection (1)(a) shall apply only to subaccounts of participating municipalities and participating courts on the date the allocation is adopted by the Retirement Board. Before accumulated contributions are paid under section 29 or 42, the Retirement System may allocate the portion of investment earnings attributable to the accumulated contributions for the number of complete months between the date that investment earnings were last allocated under this section and the date the accumulated contributions are paid.